

April 14, 2020

EDWARD J. EMMONS, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA



Robert A. Julian (SBN 88469)
Cecily A. Dumas (SBN 111449)
BAKER & HOSTETLER LLP
Transamerica Pyramid Center
600 Montgomery Street, Suite 3100
San Francisco, CA 94111-2806
Telephone: 415.659.2600
Facsimile: 415.659.2601
Email: rjulian@bakerlaw.com
Email: cdumas@bakerlaw.com

Eric E. Sagerman (SBN 155496)
Lauren T. Attard (SBN 320898)
BAKER & HOSTETLER LLP
11601 Wilshire Boulevard
Suite 1400
Los Angeles, CA 90025
Telephone: 310.820.8800
Facsimile: 310.820.8859
Email: esagerman@bakerlaw.com
Email: lattard@bakerlaw.com

Counsel for Official Committee of Tort Claimants

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Elizabeth A. Green (*pro hac*)
BAKER & HOSTETLER LLP

Signed and Filed: April 14, 2020
300 South Orange Avenue, Suite 2500

DENNIS MONTALI
U.S. Bankruptcy Judge

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**ORDER GRANTING APPLICATION OF
THE OFFICIAL COMMITTEE OF
TORT CLAIMANTS PURSUANT TO 11
U.S.C. §§1103 AND 363 AND FED. R.
BANKR. P. 2014 AND 5002 TO RETAIN
AND EMPLOY HON. JOHN K.
TROTTER (RET.) AS TRUSTEE *NUNC
PRO TUNC* TO JANUARY 13, 2020**

[Relates to Dkt. 5726-5728, 5976, 6486]

1 Upon the Application, filed February 11, 2020, [Dkt No. 5726] (the “**Application**”),¹ of
2 the Official Committee of Tort Claimants (the “**TCC**”) appointed in the chapter 11 cases of
3 PG&E Corporation and Pacific Gas and Electric Company (collectively the “**Debtors**”) for an
4 order, pursuant to section 1103(a) of title 11 of the United States Code (the “**Bankruptcy Code**”)
5 and Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy**
6 **Rules**”), authorizing the retention and employment of the Honorable John K. Trotter (Ret.)
7 (“**Justice Trotter**”) as trustee of the Fire Victim Trust, *nunc pro tunc* to January 13, 2020 and the
8 Request for Hearing [Dkt No. 6486] (the “**Hearing Request**”) on Applications of the Official
9 Committee of Tort Claimants Pursuant to 11 U.S.C. § 1103 and Fed. R. Bankr. P. 2014 and 5002
10 to Retain And Employ Hon. John K. Trotter (Ret.) as Trustee and Cathy Yanni as Claims
11 Administrator *nunc pro tunc* to January 13, 2020 Through the Effective Date of the Resolution
12 Trust Agreement, and this Court having jurisdiction to consider the Application and the relief
13 requested therein pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases*
14 *and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the
15 Bankruptcy Local Rules for the United States District Court for the Northern District of
16 California (the “**Local Rules**”); and consideration of the Application and the Hearing Request and
17 the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being
18 proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and
19 determined that notice of the Application and of the Hearing Request as provided to the parties
20 listed therein is reasonable and sufficient; and it appearing that no other or further notice need be
21 provided; and this Court having reviewed the Application, the Hearing Request and the Trotter
22 Declaration [Dkt. No. 5727] and Supplemental Declaration [Dkt. No. 5976], and all responsive
23 pleadings filed with respect to the Application; and this Court having issued docket text orders
24 with respect to the Application on March 6, 2020 indicating that the Court would approve the
25 Application and ordering the Debtors and the TCC to meet and confer on a reasonable cap and
26

27 ¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the
28 Application or in the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated
March 16, 2020 [Dkt. No. 6320] (as the same may be further amended or modified, the “Plan”), as applicable.

1 budget dealing with fees, costs and expenses to be incurred; and it appearing that the relief
2 requested in the Application, as modified herein, reflects the understanding reached between the
3 Debtors and the TCC with respect to the fees, costs and expenses to be incurred; and upon all of
4 the proceedings had before this Court and after due deliberation and sufficient cause and basis,
5 including under 11 U.S.C. § 363, appearing therefor,

6 **IT IS HEREBY ORDERED THAT:**

7 1. The Application is approved solely to the extent set forth herein.

8 2. Justice Trotter shall be retained as the trustee of the Fire Victim Trust *nunc pro*
9 *tunc* to January 13, 2020 and ending on the earliest to occur of (i) the voting deadline if the
10 Classes of Fire Victim Claims do not vote to accept the Plan, (ii) at the conclusion of the
11 confirmation hearing if the Court does not enter an order confirming the Plan, and (iii) the
12 Effective Date of the Plan (the period of Justice Trotter's engagement shall be the "**Engagement**
13 **Term**").

14 3. Justice Trotter is authorized during the Engagement Term to retain such
15 appropriate professionals and administrative staff as he may deem necessary to assist him in the
16 performance of his services as set forth in the Application, the Hearing Request and subject to the
17 Budget (such professionals and administrative staff retained by Justice Trotter and by the Claims
18 Administrator (as defined below), the "**Trust Professionals**"). Such Trust Professionals may be
19 retained effective as of the date such professional or administrative staff began work for Justice
20 Trotter as proposed Trustee of the Fire Victim Trust. Justice Trotter may retain the same Trust
21 Professionals as Cathy Yanni (the "**Claims Administrator**") or may retain such professionals
22 jointly with her. No applications for the retention of the Trust Professionals shall be required to
23 be filed with the Court.

24 4. Justice Trotter and the Trust Professionals shall be compensated solely for
25 reasonable and necessary fees and reimbursed for reasonable and necessary expenses incurred
26 during the Engagement Term in accordance with, and subject to, the budget attached hereto as
27 **Exhibit A** (the "**Budget**"), which provides for the estimated fees and expenses to be incurred by
28

Justice Trotter and the Claims Administrator and the Trust Professionals retained by both of them as described in the Hearing Request and Budget, subject to the provisions of this Order.

5. Pursuant to the *Order Re: The Production of the BrownGreer Database* [Dkt. No. 3922] entered on September 17, 2019 (the “**BrownGreer Order**”), the Debtors are authorized and directed to pay no later than 3 business days from entry of this Order (which payment is hereby ratified, approved and confirmed on a final basis) \$2,500,000.00 on account of all reasonable and documented fees, costs, and out-of-pocket expenses of BrownGreer PLC for services rendered prior to January 1, 2020. Such payment to BrownGreer is an obligation of the Debtors pursuant to the BrownGreer Order, is unrelated to the Fire Victim Trust and accordingly is not accounted for in the Budget. Such payment shall be made directly to BrownGreer in accordance with wire instructions provided to the Debtors by BrownGreer. This direction for the Debtors to pay to \$2,500,000.00 to BrownGreer and the direction in Paragraph 5 of the Order Granting Application of the Official Committee of Tort Claimants Pursuant to 11 U.S.C. §§ 1103 and 363 and Fed. R. Bankr. P. 2014 and 5002 to Retain and Employ Cathy Yanni As Claims Administrator *Nunc Pro Tunc* to January 13, 2020 (the “**Claims Administrator Order**”) shall be considered to be a single Order. For the avoidance of doubt, nothing in this Order or the Claims Administrator Order shall be construed to require the Debtors to make more than a single payment of \$2,500,000.00 to BrownGreer pursuant to this Paragraph 5 and Paragraph 5 of the Claims Administrator Order.

6. The Debtors are further authorized and directed to pay to the Pre-Effective Date Operating Account (as defined in and established pursuant to the Claims Administrator Order), which account is established for the sole purpose of receiving and disbursing funds in accordance with this Order and the Claims Administrator Order so long as the Engagement Term has not terminated prior to the date of performance set forth below, by wire transfer pursuant to wire instructions to be provided to the Debtors by Justice Trotter and the Claims Administrator on account of all reasonable and documented fees, costs, and out-of-pocket expenses of Justice Trotter, the Claims Administrator and the Trust Professionals incurred on or after January 12, 2020 in accordance with the terms of this Order and the Budget, the sum of \$21,802,777.00 as

1 follows: (i) \$2,500,000.00 within 3 business days from entry of this Order; (ii) \$9,767,593.00 on
2 or before May 30, 2020; (iii) \$4,767,592.00 on or before June 30, 2020; and (iv) \$4,767,592.00
3 on or before July 31, 2020 (the total of the amounts in (ii) through (iv) above, the “Trust
4 Advance”). The Trust Advance shall be credited dollar-for-dollar against the Cash to be
5 distributed to the Fire Victim Trust on the Effective Date pursuant to the Plan. Under no
6 circumstances shall the Debtors pay in excess of \$2.5 million under this paragraph 6 without such
7 excess being credited as provided in the immediately preceding sentence. The Debtors may
8 unilaterally terminate any of their prospective obligations under this this paragraph if the Fire
9 Victims vote to reject the Plan or the Plan is not confirmed by June 30, 2020 or such later date as
10 may be agreed to in writing by the Debtors. This direction for the Debtors to transfer the sum of
11 \$21,802,777.00 to the Pre-Effective Date Operating Account and the direction in Paragraph 6 of
12 the Claims Administrator Order shall be considered to be a single order. For the avoidance of
13 doubt, nothing in this Order or the Claims Administrator Order shall be construed to require the
14 Debtors to make the distributions aggregating \$21,802,777.00 pursuant to this Paragraph 6 and
15 Paragraph 6 of the Claims Administrator Order more than once.

16 7. If the Engagement Term has not ended and if Effective Date of the Plan has not
17 occurred by August 31, 2020, the Debtors shall make monthly payments to the Pre-Effective Date
18 Operating Account in the amount of \$5,300,000 on the first day of each month until the Effective
19 Date, with the first payment due on September 1, 2020, on account of all reasonable and
20 documented fees, costs, and out-of-pocket expenses of Justice Trotter, the Claims Administrator
21 and the Trust Professionals incurred on or after September 1, 2020 in accordance with the terms
22 of this Order and the Budget. All amounts paid pursuant to this paragraph 7 shall be credited
23 dollar for dollar against the Cash to be distributed to the Fire Victim Trust on the Effective Date
24 pursuant to the Plan. The direction for the Debtors under this Paragraph 7 to make payments to
25 the Pre-Effective Date Operating Account and the direction in Paragraph 7 of the Claims
26 Administrator Order shall be considered a single Order. For the avoidance of doubt, nothing in
27 this Order or the Claim Administrator Order shall be construed to require the Debtors to make
28

1 any payments pursuant to this Paragraph 7 and Paragraph 7 of the Claims Administrator Order
2 more than once.

3 8. Beginning on May 15, 2020 and on the 15th day of each month thereafter, Justice
4 Trotter will provide, each month, a submission to: (i) the Debtors; (ii) the United States Trustee;
5 and (iii) each official committee in these cases, detailing the amounts of fees and expenses
6 incurred by the Claims Administrator, the FVT Trustee and the Trust Professionals in the
7 preceding month and his determination that the amounts paid to each professional is reasonable
8 and necessary based on the services provided. Such monthly submission shall be filed on the
9 Court's docket. Under no circumstances shall any fees and expenses be paid by the Debtors
10 pursuant to this Order in excess of the Budget for the period covered thereby.

11 9. Nothing herein shall limit Justice Trotter, the Claims Administrator or any Trust
12 Professional from being reimbursed by the Fire Victim Trust for any reasonable and documented
13 fees or expense incurred but not paid by the Debtors or covered by the Trust Advance, in
14 accordance with the Trust Agreement governing the Fire Victim Trust.

15 10. There shall be no limitation of liability of Justice Trotter or any Trust Professional
16 in connection with this engagement.

17 11. In connection with Justice Trotter's and the Claims Administrator's retention of a
18 financial advisor as a Trust Professional, the Debtors are authorized and directed to provide the
19 same substantive indemnity to said financial advisor as the Debtors provided to the TCC's
20 financial advisor and upon the Plan Effective Date, any indemnity obligation and any liability
21 associated therewith shall be transferred to the Fire Victim Trust.

22 12. To the extent that there may be any inconsistency between the terms of the
23 Application or the Hearing Request and this Order, the terms of this Order shall govern.

24 13. The relief granted herein shall be binding upon any chapter 11 trustee appointed in
25 the Cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of the
26 Cases to cases under chapter 7.

27 14. Nothing contained in this Order and no action taken by the TCC, Justice Trotter or
28 the Claims Administrator (including work on drafting and developing the Fire Victim Trust, Fire

1 Victim Trust Agreement or the Fire Victim Claims Resolution Procedure, and the implementation
2 thereof) shall prejudice the rights of any parties in interest to challenge or object to the Fire
3 Victim Trust, the Fire Victim Trust Agreement, the Fire Victim Claims Resolution Procedure or
4 the Plan: provided, however, that the deadlines and obligations established by the Court in the
5 Amended Order Establishing Schedule for Disclosure Statement Approval and Plan Confirmation
6 dated February 11, 2020 [Docket No. 5732] shall continue to govern the parties.

7 15. The TCC and Justice Trotter are authorized to take all steps necessary or
8 appropriate to carry out this Order.

9 16. This Court shall retain jurisdiction to hear and determine all matters arising from
10 or related to the implementation, interpretation, or enforcement of this Order. For the avoidance
11 of doubt, during the pendency of these Cases, this Court shall have exclusive jurisdiction over the
12 retention of Justice Trotter and any other person or entity retained by Justice Trotter as authorized
13 herein in connection with this retention and Order.

14 ** END OF ORDER **
15
16
17
18
19
20
21
22
23
24
25
26
27
28